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## EXHIBIT B

### DRAFT PROCEDURES AND REQUIREMENTS

### Cal/EPA EJ Small Grants for 2009 Grant Cycle

The Environmental Justice (EJ) Small Grants is administered by the California Environmental Protection Agency (Cal/EPA). These Procedures and Requirements describe project and reporting requirements, report due dates, report contents, grant payment conditions, eligible and ineligible project costs, project completion and close-out procedures, records and audit requirements.

This document is incorporated by reference, and attached to, the Grant Agreement.

All documents submitted must be printed double-sided.

#### I. QUESTIONS

All communication regarding this grant should be directed to your Grant Manager. Visit our Cal/EPA EJ Small Grants Program webpage at <http://www.calepa.ca.gov/EnvJustice/Funding/SmallGrants/default.htm>.

#### II. REPORTING MILESTONES

Date	Activity
<b>October 15, 2009</b>	<b>Grant Term Begins</b> after receiving Notice to Proceed
<b>February 17, 2010</b>	<b>Progress Report 1 due</b> (covering October 15, 2009 – February 15, 2010)
<b>June 16, 2010</b>	<b>Progress Report 2 due</b> (February 16, 2010 – May 31, 2010)
<b>October 15, 2010</b>	<b>Grant Term Ends</b>
<b>December 15, 2010</b>	<b>Final Report and Final Payment Request Due</b>
<b><u>Important Notices:</u></b>	If 80% or more of the grant funding is expended before the February 17 or June 16 Progress Report is due, in lieu of these progress reports, a Progress Report or Final Report (whatever is deemed more appropriate by your Grant Manager) is also due and must be submitted with the Payment Request for the reimbursement of the 80% or more of the grant funding.
	<b>Advances:</b> An advance of up to \$5000 (or percentage thereof) may be requested to start work on your grant project. A grant advance must be made in writing and approved by your Grant manager. The grant request must include a written detailed description of how the advanced funds will be expended.
	Failure to submit the final report and final Payment Request, with appropriate documentation, by January 15, 2011, may result in rejection of the Payment Request and/or forfeiture by the Grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

### **III. PROGRESS REPORTS (not including Final Report)**

The Progress Report should include, at a minimum, the following:

- A. The Grant number, Grantee's name, Grantee's contact information, and reporting period.
- B. A description of work completed, arranged as according to tasks and activities shown in your Work Plan. Include as an overall summary, or in each section, responses to the following questions as applicable:
  - i. What were the successes (so far) in relation to goals and objectives?
  - ii. What problems/challenges were discovered during implementation?
  - iii. How were problems/challenges (if any) resolved during this reporting period?
  - iv. What "best practices" might be shared with other areas?
- C. A brief discussion of work to be conducted during the remainder of the grant term. If necessary, discuss any adjustments to the Work Plan resulting from your process evaluation.

**Your Grant Manager must give written pre-approval for any changes to the Work Plan or Budget.**

### **IV. INELIGIBLE COSTS**

Any costs not included in your approved budget, and not directly related to the approved grant project, are ineligible for reimbursement. If you have any questions regarding ineligible costs, contact your Grant Manager.

Examples of ineligible costs for funding include the following, but not limited to:

- A. Lobbying or advocacy activities relating to any federal, state, regional, or local legislative, quasi-legislative, adjudicatory, or quasi-judicial proceeding involving development or adoption of statutes, guidelines, rules, regulations, plans or any other governmental proposal, or involving decisions concerning siting, permitting, licensing, or any other governmental action.
- B. Litigation, administrative challenges, enforcement action, or any type of adjudicatory proceeding.
- C. Funding of a lawsuit against any governmental entity.
- D. Funding of a lawsuit against a business or a project owned by a business.
- E. Matching state or federal funding.
- F. Other state grant programs.
- G. Performance of any technical assessment for purposes of opposing or contradicting a technical assessment prepared by a public agency.
- H. Other work deemed ineligible by Cal/EPA consistent with state law.

## V. PAYMENT REQUESTS

The Grant Manager shall authorize payment upon approval of a complete and accurate Payment Request and, where applicable, approval of all required reports.

### Forms for a Payment Request

All forms can be downloaded from the Cal/EPA's EJ Small Grants Program website (<http://www.calepa.ca.gov/EnvJustice/Funding/SmallGrants/default.htm>) or contact your Grant Manager.

### Required Documents and Format for Payment Request

A complete Payment Request must include the following items in the order listed.

1. **Grant Payment Request Form** (Cal/EPA Form 220) – This form must be signed by the individual authorized by the grant agreement. Please remember to type or print the individual's name and title below the signature.
2. **Expenditure Itemization Summary** - All expenditures must be itemized.
3. **Supporting Documentation** – Documentation for all expenditures claimed on the Payment Request should be retained for a minimum of three years after the close of the Grant Term for audit purposes, or for a longer period of time if warranted to resolve any issues with this Grant (see Audit/Records Access in Terms and Conditions, Exhibit A) Types of acceptable documentation include:
  - a. **Invoices.** Invoices must include the name of the vendor, vendor's telephone number and address, description of goods or services purchased, amount due, and date.
  - b. **Receipts.** Receipts should include the same information as invoices (see above).
  - c. **Purchase orders with proof of payment.** Purchase orders should include the same information as invoices and receipts, and must be accompanied by proof of payment (e.g., copies of cancelled checks).
  - d. **Personnel Expenditure Summary.** Document personnel expenditures based on actual time spent on grant related activities (these forms are not required if you have an alternate time reporting method pre-approved by your Grant Manager).
  - e. **Travel Expense Summary.** Document costs related to travel and include supporting documentation. Lodgings, Meals and Incidentals: Unless otherwise provided for in this Agreement, Grantee's Per Diem eligible costs are limited to the amounts authorized in the California

*State Administrative Manual* (visit <http://sam.dgs.ca.gov/TOC/default.htm> or contact your Grant Manager for more information).

### **Basic Travel Policies**

- Limit attendance at conferences and meetings to those directly concerned with the topic.
- Use the most economical method of transportation. Consider the time you will be away from the office and the direct cost of the methods that may be used.
- Avoid back-tracking and duplicate travel whenever possible.

## **VI. FINAL REPORT**

The Final Report summarizes the **entire** grant term (from October 15, 2009, through October 15, 2010), and includes:

- A. The Grant number, Grantee's name, Grantee's contact information, and Grant Term.
- B. The following disclaimer statement:

"The statements and conclusions of this report are those of the Grantee and not necessarily those of the California Environmental Protection Agency, its employees, or the State of California. The State makes no warranty, express or implied, and assumes no liability for the information contained in the succeeding text."

- C. Description of activities that were undertaken, continued, and completed during the reporting period. Activities must be arranged by the categories shown in your approved Work Plan.
- D. Summary of results, as applicable to your Work Plan, which includes completing the following questions.

### **Evaluation Of Program Outcome During The Grant Term**

- i. What are the methods used to evaluate project effectiveness to address EJ?
- ii. What were the successes in relation to goals and objectives?
- iii. Did this project build upon "best practices" or previous projects from other areas? If yes, which ones and what changed in the design of your project?
- iv. What problems/challenges emerged during implementation? How did you resolve them?

- v. What would you do differently if you had the project to design all over again?
- vi. What “best practices” might be shared with other areas?

**VII. WHERE TO SEND GRANT CORRESPONDENCE (e.g., Reports, Payment Requests, etc.)**

Send your Reports, Payment Requests, and all other written correspondence to your Grant Manager’s attention at:

California Environmental Protection Agency  
Office of the Secretary  
Environmental Justice Grants Program  
Attn: Malinda Dumisani, Cal/EPA Grants Manager (24<sup>th</sup> Floor)  
PO Box 2815  
Sacramento, CA 95812

**VIII. SERVICES RENDERED**

Goods and services must be paid for and received within the period from the beginning to the end of the term of the Grant Agreement.

**IX. EXCEPTIONS AND AUDIT CONSIDERATIONS**

Exceptions to the provisions of the Grant Agreement may be considered on a case-by-case basis.

Requests must be submitted in writing, and pre-approved in writing, by your Grant Manager. The Grantee is responsible for retaining documentation of any exceptions to the Grant Agreement for audit purposes.

This Grant is subject to audit for at least three years after the close of the Grant Term, or for a longer period of time if warranted to resolve any issues with this Grant. Documentation and a clear audit trail are essential to grant management.